TEXAS DEPARTMENT OF INSURANCE
Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)
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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name
Universal DME LLC

Respondent Name
XL Insurance America Inc

MFDR Tracking Number
M4-16-2909-01

Carrier's Austin Representative
Box Number 19

MFDR Date Received
May 23, 2016

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "On 01/20/2016 our appeal was denied again stating that E0249 is the replacement pad for a water circulating heat unit – which is not a cpm device. The rental of the cold unit converted to a purchase when she received it back on 2014."

Amount in Dispute: $151.64

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The Respondent has never received a bill for the purchase of the water circulating unit (heat or cold). As such, the respondent ONLY has a bill in history for the rental of the water circulating device, and that rental occurred on 7/16/2014, 16 months prior to the bill/DOS for E0249, the Respondent is justified in denying payment for the replacement pad."

Response Submitted by: CorVel, Healthcare Corporation, 10000 North Central Expressway, Suite 300, Dallas, Texas 75231

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
November 2, 2015	E0249 – NU	$151.64	$0.00

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.203 Medical Fee Guideline for Professional Services The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
   - 107 – Denied –qualifying svc not paid or identified

- 234 – This procedure is not paid separately
- 193 – Original payment decision maintained

Issues

1. Are the insurance carrier's reasons for denial or reduction of payment supported?
2. Is the requestor entitled to additional reimbursement?

Findings

1. The insurance carrier denied disputed services with claim adjustment reason code 107 – "Denied – qualifying svc not paid or identified," R38 – "Included in another billed procedure" and "This procedure is not paid separately." 28 Texas Administrative Code §134.203(b) states,

> For coding, billing, reporting, and reimbursement of professional medical services, Texas workers' compensation system participants shall apply the following:
>
> (1) Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers; bonus payments for health professional shortage areas (HPSAs) and physician scarcity areas (PSAs); and other payment policies in effect on the date a service is provided with any additions or exceptions in the rules.

Review of the service finds E0249 has a narrative description of "Pad for water circulating heat unit, for **replacement only**." Per the Medicare Benefit Policy Manual, Chapter 15 – Covered Medical and Other Health Services, 110.2 - Repairs, Maintenance, Replacement, and Delivery, Section C. Replacement;

> *The reasonable useful lifetime of durable medical equipment is determined through program instructions. In the absence of program instructions, carriers may determine the reasonable useful lifetime of equipment, but in no case can it be less than 5 years. Computation of the useful lifetime is based on when the equipment is delivered to the beneficiary, not the age of the equipment. Replacement due to wear is not covered during the reasonable useful lifetime of the equipment. During the reasonable useful lifetime, Medicare does cover repair up to the cost of replacement (but not actual replacement) for medically necessary equipment owned by the beneficiary.*

The respondent states in their position statement, "The Respondent has never received a bill for the purchase of the water circulating unit (heat or cold). As such the respondent ONLY has a bill in history for the rental of the water circulating device, and that rental occurred on 7/16/2014, 16 months PRIOR to the bill/DOS for E0249…"

The Division found no documentation to support the replacement of the durable medical equipment prior to the useful lifetime of five years. The the carrier's denial is supported.

2. Based on the applicable Medicare payment policy and Division guidelines, no addition payment can be recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has not established that additional reimbursement is due. As a result, the amount ordered is $0.00.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the requestor is entitled to $0.00 additional reimbursement for the services in dispute.

Authorized Signature

		June , 2016
Signature	Medical Fee Dispute Resolution Officer	Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, 37 *Texas Register* 3833, applicable to disputes filed on or after June 1, 2012.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.